

Maryland E-Nnovation Initiative Fund Authority
Tuesday, November 28, 2017
10:00 a.m. – 12:00p.m.

University System of Maryland – Columbus Center
701 East Pratt St, Board Room #G020
Baltimore, MD 21202

The Maryland E-Nnovation Initiative Fund Authority (“MEIFA” or the “Authority”) convened a meeting at 10:00a.m. on November 28, 2017 at the University System of Maryland – Columbus Center, 701 East Pratt Street, Baltimore, Maryland, Board Room #G020. A quorum was present.

Members

Robert Hallenbeck, Chairman
Robert Caret, Chancellor, University System of Maryland
George M. Davis, Chief Executive Officer, TEDCO
John Wasilisin, President & Chief Operating Officer, TEDCO
Andy Jones, Managing Director, Maryland Venture Fund, TEDCO
Tracye Turner, Co-Owner and COO of Optimal Solutions Group, LLC
Sharon Markley, Designee of the Secretary of the Maryland Department of Commerce

Staff, Guests and Representatives

Lara Hjortsberg, Assistant Attorney General, TEDCO
Kris Shock, Senior Director, Strategic Industries & Entrepreneurship, Maryland Department of Commerce
Delterese George, Portfolio Specialist, Office of Finance Programs, Maryland Department of Commerce

Call Meeting to Order; Introduction of New Authority Member

Chairman Robert Hallenbeck called the meeting to order at 10:00a.m. Chairman Hallenbeck next introduced and welcomed George M. Davis, Executive Director and Chief Executive Officer of TEDCO, as the new member of the Authority.

Roll Call: Introduction of Authority Members and Others in Attendance

Chairman Hallenbeck invited those in attendance to sign in introduce themselves.

Review and Approval of previous Meeting Minutes

The Authority members reviewed the minutes of the June 27, 2017 meeting. Upon motion duly made and seconded, the minutes of the open session of the meeting of Authority held on June 27, 2017 were unanimously approved.

MEIF Annual Report Review

Chairman Hallenbeck opened the discussion with a review of the various annual reports submitted by those Nonprofit Institutions of Higher Education (NPIHE) who received a Maryland E-Nnovation Initiative Fund (MEIF) grant award since the program's inception in fiscal year 2016. He and the other Authority members noted that overall, the Authority was satisfied with the progress and pace reflected in the reports submitted by each institution, related to its status and use of funds in achieving its goals for on-boarding new talent and furthering research objectives for scientific and technical studies as designated by the Authority, and for the purpose for which the program was created. Chairman Hallenbeck requested clarification regarding the Robert Gallo Distinguished Professorship endowment application and annual report, particularly, in understanding how the award was divided into two appointments of Drs. Redfield and Lewis.

Ms. Markley informed the Authority that Johns Hopkins University, University of Maryland, Baltimore, University of Maryland College Park, and Stevenson University, each had submitted an annual report on or before September 30, 2017. She noted, however, that Stevenson University submitted a supplemental report on November 27, 2017, after noting that the institution had misunderstood the full scope of what required beyond the submitting the signed certification for the use of funds. Ms. Markley advised the Authority to expect Stevenson's full annual report narrative by close of business on the date of the meeting. She also noted that had Washington College submitted its annual report late and that Staff was currently reviewing the report and would forward it to the report to the Authority members after completion of the initial review. She also stated that Hood College's annual report remains past due.

Chairman Hallenbeck pointed to the Johns Hopkins Wolman endowment report as example, in detailing its progress relative to its successful recruitment and the impact the appointment has had in engaging other areas outside of the institution. He added that such reports, consequently, affirmed the MEIF Program's existence as well as the Authority's effectiveness in awarding grants that produce comparable results. To foster the institutions efforts, the recommendation was made, and it was the consensus of the Authority, to periodically request that institutions who had previously been awarded a MEIF grant appear before the Authority and present on their respective endowments supported by the E-Nnovation grants.

It was noted that Chancellor Robert Caret had raised the question, by way of email to staff, whether there was a specified timeline for institutions to utilize funds that were awarded by the program in the manner for which they were initially requested. Ms. Markley responded, referring to written guidance provided by Assistant Attorney General, Lara Hjortsberg as follows:

“The institutions are supposed to use the awards in accordance with the approved research endowment plan. The funds are deposited into the designated endowment fund, and the proceeds of the endowment are used for the purposes set forth in the proposal and finance plan. There is no set limit by which the award is to be spent. The award continues in the endowment and earns spendable income while it’s there. Presumably it could stay there indefinitely. The limit is solely on how long the institution is required to report to the Authority. The final comprehensive report is due September 30, 2021 for all institutions.”

Ms. Hjortsberg added that under the regulations the Authority also has audit and inspection rights, in addition to the institutions being required to maintain adequate books and records. Authority members sought clarification regarding how institutions typically expend the investment proceeds from granted funds. Chancellor Caret explained that typically institutions spend between 4% and 5% from an endowment which is regulated by an investment committee who decides the percentage according to the endowment. Ms. Hjortsberg noted that the matching funds are managed by the institutions or their foundations and utilized in accordance with the approved research endowment plan.

Chairman Hallenbeck directed Staff to review the University of Maryland Baltimore’s Robert Gallo Distinguished Professorship application, specifically, the details of the original request and any explanation presented by the institution to divide the grant between two professorships (as opposed to one). It was noted that Staff is expected to present their findings of this review at the next Authority meeting. Chairman Hallenbeck asked if there were any additional questions or comments. There were none.

Budget Status Update

In introducing the Maryland E-Innovation Initiative Fund Fiscal Year 2018 Status and Projection Report, Chairman Hallenbeck announced the Department of Budget and Management’s (DBM) decision to set aside the Authority’s request to reallocate the \$1,000,000.00 returned by Morgan State University the fiscal year 2017 budget. Given DBM’s decision, the remaining funds available to be awarded in round #2 of fiscal year 2018 was \$4,900,000.00. Ms. Markley explained that the information previously provided by Mr. Bret Schreiber, the former Program Manager for the Program, at the June 28, 2017 meeting was a result of DBM’s verbal approval to reallocate the \$1,000,000 through a budget amendment. She noted that DBM subsequently retracted its verbal approval. She further noted that the Department of Commerce is currently working to have those funds returned to the Program.

MEIF Program Outreach and Marketing

The Authority members discussed strategies for attracting more NPIHE’s to the MEIF Program. Included in this discussion were plans to host general sessions throughout the year; invite public and private institutions to hear success stories from institutions which had successfully secured MEIF awards; make a request of previous award recipients to develop a white paper of best practices; and Commerce direct outreach initiatives. Chairman Hallenbeck spoke briefly about the remarks he had given as guest speaker, on behalf of the Authority, for the Helen Larson & Charles Glen Grover Professorship at Johns Hopkins Wilmer Institute on November 1, 2017. The

Chairman offered to share those remarks with Authority members as a potential tool for outreach opportunities with hopes of drawing new and a more diverse group of applicants.

General Discussion

The Authority yielded the discussion to guests at the meeting for comments and questions. There were none.

Approval of Closed Session

At 10:27 a.m., Chairman Hallenbeck made a recommendation that the meeting be closed to discuss applications. At Chairman Hallenbeck's request, Ms. Hjortsberg stated, the statutory reasons for closing the meeting were §3-305(b)(13) and (b)(7) of the Open Meeting Act, (a) to comply with a specific statutory requirement that prevents public disclosure about a particular proceeding or matter, and (b) to consult with legal counsel with respect to legal matters with respect to such applications and an amendment request. It was noted that the applications and amendment request included financial information of private individuals (donors), which is information protected from disclosure under §4-336 of the Maryland Public Information Act. It was further noted that Chairman Hallenbeck had signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an Exhibit.

Upon motion duly made and seconded, it was unanimously,

RESOLVED, that the Authority move into Closed Session in accordance with §3-305(b)(13) and (b)(7) of the Open Meetings Act (OMA), to discuss the applications and an amendment request received by the Authority, which applications an amendment include financial information of private individuals, and to consult with legal counsel with respect to legal matters with respect to such applications and amendment request.

Chairman Hallenbeck then preceded with the roll call. The following members (and designee) of the Authority were present during the closed session: Chairman Hallenbeck, Dr. Caret, Mr. Jones, Ms. Markley, Ms. Turner, and Mr. Wasilisin. Ms. Hjortsberg, Ms. Shock and Ms. George also remained for the closed session.

Resumption of Open Session

The Open Session of the meeting resumed at 11:14 a.m.

Chairman Hallenbeck announced the following decisions made during closed session.

- Johns Hopkins University, Branna and Irv Sisenwein Estate (\$1,000,000) – APPROVED (1 member opposing: Tracye Turner)

- Johns Hopkins University, The Jennison Family Professorship in Neurosurgery (\$1,000,000) – APPROVED (1 member opposing: Tracie Turner; 1 member abstaining: George Davis)
- University of Maryland Baltimore, Dr. Bizhan Aurabi Professorship in Neurotrauma (\$570,000) – APPROVED (unanimously)
- University of Maryland Baltimore, Dr. Marlin Helrich Professorship in Anesthesiology (\$850,000) – APPROVED (unanimously)
- University of Maryland, College Park, Ray R. Weil Distinguished Endowed Professorship in Soil Science (\$1,000,000) – Decision pending response to request for supplemental information

Designation of Member to Take Open Meetings Act Training

Ms. Hjortsberg reviewed with the Authority the 2017 amendments to the Maryland Open Meetings Act, which require public bodies such as the Authority to designate at least one member of the public body to take the OMA training if such public body is to meet in closed session on or after October 1, 2017. She noted that the Authority had designated Chairman Hallenbeck to take the training at the June 27, 2017 meeting (and that he had). She continued that Ms. Markley, as the Secretary's designee and the Program Manager, would also be a good candidate for such a training designation. Therefore, after discussion, and upon motion duly made and seconded, it was unanimously,

RESOLVED, that Ms. Sharon Markley be, and she hereby is, designated as a member of the Authority to take training pursuant to §3-213 of the Open Meeting Act.

Ms. Markley reported that she voluntarily completed the OMA training in advance of this meeting, and has therefore completed the requirement as designated by the Authority.

Dates for Next Meetings; Adjournment

The Authority members determined the dates for the next several meetings of the Authority as follows.

- December 8, 2017, 1:30p.m., Authority Conference Call
 - Location: MD Department of Commerce, 401 East Pratt St, Baltimore, MD 21202 – 15th Floor Conference Room,
- Tentative set for March, 2018 for General Open Session
- June 26, 2018, 10:00 a.m. – 12:00 p.m.
 - Location: University System of Maryland, 701 East Pratt St., Baltimore, MD 21202

There being no further business, motion to adjourn was made, duly seconded and unanimously approved.

Attachments: November 28, 2017 Meeting Agenda
 June 27, 2017 Open Meeting Minutes
 Fiscal Year 2018 Status and Projection Report
 Presiding Officer's Written Statement for Closing a Meeting under the
 Open Meetings Act